

EXHIBIT A

Supplemental Statement of Work



Amendment No. 1 to Statement of Work

This amendment, dated 29 January 2025 (this “Amendment”) amends the Statement of Work, dated, 3 November 2024 (the “Original SOW” and as modified by this Amendment, the “SOW”), between Ernst & Young LLP (“we” or “EY”) and Franchise Group, Inc. on behalf of itself and its affiliated entities (“you” or “Client”). Capitalized terms used, but not otherwise defined, in this Amendment shall have the respective meanings ascribed to them in the Original SOW and identical terms defined in this Amendment and in the Original SOW shall have the respective meanings ascribed to them herein. The Original SOW was executed pursuant to the agreement, dated 1 November 2024 (the “Agreement”), between EY and Franchise Group, Inc., which was executed in connection with the Client filing a petition under Chapter 11 of the United States Bankruptcy Code (“Chapter 11”) on or about 3 November 2024 with the United States Bankruptcy Court for the state of Delaware (the “Bankruptcy Court”), and describes certain services that EY will perform for the Client during the Client’s Chapter 11 proceedings.

Except as modified by this Amendment, all terms and conditions of the Original SOW shall continue in full force and effect and be unaffected by this Amendment.

Objective and purpose

In addition to the objective and purpose set out in the Original SOW, we understand that the Client, through its subsidiary, Franchise Group Newco BHF, LLC, conducted a sale of certain finance receivables (the “Finance Receivables”) to AR Freedom Receivable Purchaser LLC as of December 29, 2023. Per the purchase agreement, as of 29 December 2023, the Client has retained a residual interest in these Finance Receivables. We understand that the Client’s management (“Management”) requires our assistance to estimate the fair value of the Finance Receivables as of 28 December 2024 (the “Valuation Date”). Consequently, we understand that our services will be used for financial reporting purposes pursuant to Financial Accounting Standard Board’s (“FASB”) Accounting Standards Codification (“ASC”) Topic 820, Fair Value Measurement (“ASC 820”).

Scope of services

In addition to the services set out in the Original SOW, we shall perform the following additional services (such additional services, together with the services described in the Original SOW, the “Services”):

- ▶ Interview Management concerning the Finance Receivables
- ▶ For the Finance Receivables:
 - Group the Finance Receivables into cohorts (each a “Receivable Cohort”, collectively, “Receivable Cohorts”) based on certain shared risk characteristics
 - Analyze historical loss and prepayment data for each Receivable Cohort and develop loss and prepayment forecast curves
 - Project cash flows for each Receivable Cohort based on historical data and market-based assumptions, if available



- Estimate a range of fair values for each Receivable Cohort by discounting the projected cash flows using recent transaction-based or market-based discount rates, as applicable, and subsequently, aggregating the range of fair values for each Receivable Cohort to estimate the range of fair values of the Finance Receivables
- Prepare a written report (“Report”) outlining our findings including methodologies and assumptions used to perform the valuation
- Discuss fair value estimates with Management and, as needed, discuss results with Client’s auditors.

Reports¹

In addition to the Reports set out in the Original SOW, we will prepare the following Reports:

- A written report discussing our methodologies, including supporting exhibits as of the Valuation Date.

Timetable

Subject to the terms and conditions of the Agreement and the Original SOW, and notwithstanding anything in the Original SOW to the contrary, we expect to perform the Services during the period from 29 January 2025 to 31 March 2025. Changes to this schedule may be made upon our mutual agreement.

Fees

The terms and conditions of the Agreement address our fees and expenses generally. In addition to the fees and expenses described in the Original SOW, you shall pay fees for the additional services described in this Amendment, which fees are based on the time that our professionals spend performing them. The table below reflects our agreed upon rates, by level of professional fee, as follows:

Valuation Rates	
<u>Level</u>	<u>Hourly Rates</u>
Partner	\$750
Managing Director	\$700
Senior Manager	\$600
Manager	\$500
Senior	\$400
Staff	\$250

	Timeline	Fee Estimate
Valuation services	2-4 weeks	\$30,000 - \$40,000

Your obligation to pay our fees and expenses is not contingent upon the results of the Services or the consummation of any transaction.


¹ “Report” is defined in the Agreement as including all information, advice, recommendations, templates or other content of any reports, presentations, or other communications we provide to you.



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In witness whereof, the parties have executed this Amendment as of the date set forth above.

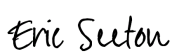
Ernst & Young LLP

By: 

Kostas Kalafatis
Authorized Signatory

Franchise Group, Inc.

on behalf of itself and its affiliates

DocuSigned by:

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By: _____
Eric Seeton
Chief Financial Officer